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REPORT OF AUDIT
OF
CONSOLIDATED CHARITIES COMMITTEE
FOR THE PERIOD
25 JULY 1955 - 8 MAY 1956

1. This report covers a site audit of the Consolidated Charities Committee from its inception on 25 July 1955 through 8 May 1956.
2. On 25 July 1955 the Director of Central Intelligence approved proceeding with an annual "One-Fund Drive" for charitable purposes. To accomplish this objective, a Consolidated Charities Committee was established within the Agency composed of designees of the Director of Central Intelligence, Deputy Director (Plans), Deputy Director (Support), and the Deputy Director (Intelligence), with the Director of Personnel or his designee acting as chairman. At a meeting held on 13 September 1955 the Committee appointed officers and designated a bank as a depository for its funds.
3. Vice-chairmen appointed by each Agency component were responsible for the solicitation and collection of contributions from Agency employees. Vice-chairmen designated keymen who contacted approximately 25 to 30 persons each. The keymen collected funds and pledge cards from employees and maintained contributor records which they surrendered through their respective vice-chairmen to the Employee Services Branch of the Office of Personnel. This branch was responsible for accounting for the funds received and maintaining the books and records of the Committee.
4. During the audit period Agency employees pledged \$100,767.19, of which \$100,087.94, representing 99.3 percent of the amount pledged, was collected. The amount collected of \$100,087.94 with \$346.50 left from the 1954 Community Chest Drive, gave a total of \$100,434.44 to be accounted for. Of this amount, \$99,715.04 was disbursed to selected charities and \$118.55 was disbursed for expenses of the drive. The remaining \$600.85 represented cash on hand and in bank at 8 May 1956 and is being held as a reserve fund for emergencies or for payment along with next year's contributions. Further particulars are given in Exhibit A - Statement of Source and Use of Funds.

Comments on Audit

5. The audit included a review of procedures and operations and an examination on a test check basis of cash receipts and disbursements. In the audit of cash receipts we determined, on a test basis, that cash

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received and recorded agreed with the amounts contributed as shown by the individual pledge cards. We could not determine, however, that the pledge cards for all contributors had been turned in, since the cards were not controlled through prenumbering. It is suggested that, in future drives, the Committee prenumber pledge cards and maintain control lists to assure that all cards issued are accounted for.

6. The tabulation prepared by the Employees Service Branch to summarize the amounts designated for the various charities listed the amounts designated but did not show the names of the contributors. Furthermore, the tabulation was not segregated according to Agency components. Thus, we could not ascertain whether the amounts designated on the individual pledge cards had been allocated to the charity as designated. We suggest that the Committee, in future drives, summarize the amounts designated by Agency component and, if practicable, list the names of contributors.

7. It was difficult to locate pledge cards by name because of the manner of filing. They were filed alphabetically only as to the first letter of the surname and without regard to Agency component. We suggest that the cards be completely alphabetized by Agency component.

Administrative Action Requested

8. The matters commented upon in this report which, in our opinion, require administrative action of the Committee in ensuing charity drives are summarized:

- a. Prenumber pledge cards and maintain control lists to assure that all cards are accounted for. (Paragraph 5)
- b. Prepare a tabulation for each Agency component summarizing employee designations to charities. If practicable, list names of contributors. (Paragraph 6)
- c. File pledge cards alphabetically by component. (Paragraph 7)

HEADQUARTERS AUDIT DIVISION

DATE OF REPORT: 31 May 1956

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Exhibit 1

Consolidated Charities Committee
Statement of Source and Use of Funds
For the Period
25 July 1955 - 3 May 1956

Source of Funds

Balance on hand from 1954 Community Chest Drive	a/ \$ 346.50
Contributions collected from Agency employees during audit period	<u>100,087.94</u>
Total funds to be accounted for	<u>\$100,434.44</u>

Use of Funds

Distributed to charities:

Community Chest	\$ 60,423.62
American Red Cross	12,331.41
March of Dimes	7,340.62
American Cancer Society	6,878.65
Society for Crippled Children	3,988.28
American Heart Association	3,181.31
Arthritis and Rheumatism	2,513.39
Metropolitan Police Boys Club	1,434.66
American Korean Foundation	794.46
Crusade for Freedom	500.00
GAR Memorial Day Fund	155.27
Miscellaneous (13 charities)	<u>173.37</u>

Total distributed to charities	99,715.04
Campaign expenses	118.55
Cash on hand and in bank as of 3 May 1956	<u>600.85</u>
Total funds accounted for	<u>\$100,434.44</u>

a/ We were informed by the Secretary to the Committee that this amount was collected for the 1954 Community Chest Drive after its books were closed.

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